

Capital Budget

In FY 2004 and 2005, DFAS will continue its efforts to exercise a system modernization and improvement strategy with fewer resources and in accordance with the Defense Financial Management Modernization Program guidelines. Our capital investment program will decline from \$182.6 million in FY 2002 to \$77.4 million in FY 2005, a total decrease of \$105.2 million or 68% percent.

We continue implementing our modernization strategy to replace existing legacy systems with a standard suite of integrated, efficient systems. However, our efforts are being tempered by the need to remain consistent with on-going efforts to develop a DoD enterprise architecture.

As part of this effort, multiple disbursing, military pay, and vendor pay systems are being replaced by single systems that support DOD-wide customers in each DFAS business line. For example, Defense Integrated Military Human Resources for Personnel and Pay System is being developed to replace multiple disparate and aging personnel and pay systems with a single, fully integrated COTS human resources application exploiting modern processing technology. Accounting systems are also being standardized and reduced to a core number necessary to support DoD-wide applications. System development and deployment will take place within a standard infrastructure that creates a shared, integrated operating environment. This environment is compliant and interoperable with the DoD Joint Technical Architecture and has the flexibility to mesh with the future DoD financial management enterprise architecture. Overall, this environment will give DFAS the capability to provide the Military Services and other customers with high quality financial information and business intelligence that is responsive to their decision-making needs and is compliant with the Chief Financial Officer Act requirements.

The decline in costs is driven by several factors. Required resources decline as we move significantly closer to completion of the modernization and standardization of our finance and accounting systems. Costs further decrease as the Defense Joint Accounting System is still in maintenance mode. Other factors for the decline in capital are the termination of Defense Procurement Payment System (DPPS) and the fulfillment of the functional requirement by enhancing Mechanization of Contract Administration Services (MOCAS). Finally, the capital program in FY 2003 also reflects changes in capital investment criteria mandated by the Federal Accounting Standards Advisory Board (FASAB). The adoption of the FASB standards realigned selected system acquisition costs from the investment to operations funding category. Overall, the DFAS investment program meets customer needs for management information while using fewer resources.

FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET ESTIMATES

DEFENSE FINANCE AND ACCOUNTING SERVICE

CAPITAL BUDGET EXHIBITS

FINANCIAL OPERATIONS BUSINESS AREA

EXHIBIT FUND 9-a

DWCF ACTIVITY CAPITAL INVESTMENT SUMMARY

EXHIBIT FUND 9-b

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION

Automated Data Processing Equipment
Minor Construction
Automated Time Attendance and Production System (ATAAPS)
Business Management Redesign (BMR)/Electronic Business (e-Biz)
Defense Cash Accountability system (DCAS)
DFAS Corporate Database (DCD)
DFAS Corporate Warehouse (DCW)
Defense Civilian Pay System (DCPS)
Defense Debt Management System (DDMS)
Defense Departmental Reporting System (DDRS)
Deployable Disbursing System (DDS)
Defense Industrial Fund Management System (DIFMS)
Defense Integrated Military Human Resources System (DIMHRS)
Defense Joint Accounting System (DJAS)
Defense Joint Military Pay System (DJMS)
Defense Procurement Payment System (DPPS)
Defense Retiree and Annuitant Pay System (DRAS)
Defense Standard Disbursing System (DSDS)
Defense Working Capital Accounting System (DWAS)
Employee Member Self Service (EMSS)
General Accounting and Finance System-Reengineered (GAFS-R)
Integrated Accounts Payable System (IAPS)
Marine Corps Total Force System (MCTFS)
Material Financial Control System (MFCS)
Mechanization of Contract Administration Services (MOCAS)
Military Sealift Command Financial Management System (MSC FMS)
Operational Data Storage (ODS)
Standard Materiel Accounting System (SMAS)
Standard Accounting and Reporting System (STARS)
Other Accounting (General Fund) Systems
Other Administrative and Support Systems

EXHIBIT FUND 9-c

**PROJECTS ON THE FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
ESTIMATES**

Activity Capital Investment Summary
Component: Defense Finance and Accounting Service
Activity: Financial Operations
Date: February 2003
(\$ in Millions)

Line No.	Item Description	FY 2002		FY 2003		FY 2004			
		Quantity	Total Costs	Quantity	Total Costs	Quantity	Total Costs		
	Equipment > \$100,000		\$0.0		\$0.0		\$0.0		
	- Replacement								
	- Productivity								
	- New Mission								
	- Environment								
	ADPE and Telecommunications Equipment		\$6.2		\$10.8		\$15.0		
	- Computer Equipment		\$2.3		\$3.3		\$2.8		
	- Computer Software								
	- Telecommunications		\$3.9		\$7.5		\$12.1		
	- Other								
	Software Development		\$174.8		\$125.4		\$87.8		
	- Internally Developed		\$88.1		\$76.4		\$57.1		
	- Externally Developed		\$86.7		\$49.0		\$30.7		
	Minor Construction		\$1.6		\$0.8		\$2.3		
	TOTAL		\$182.6		\$137.0		\$105.1		
	Total Capital Outlays		\$184.1		\$169.5		\$140.1		
	Total Depreciation Expense		\$147.7		\$263.9		\$139.3		

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)									A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates			
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Automated Data Processing Equipment (ADPE) > \$100,000					D. Activity Identification DFAS Sites			
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Enterprise LAN System Security			\$3,904 \$0			\$7,494 \$1,345			\$12,143 \$1,260			\$11,560 \$4,000
Other ADPE			\$2,316			\$2,000			\$1,571			\$1,130
Total			\$6,220			\$10,839			\$14,974			\$16,690
Narrative Justification:												
The FY 2003-4 Financial Operations business area ADPE program will primarily support the phased refresh and replacement of the DFAS Corporate Infrastructure. This funding will replace and upgrade the backbone processing capability. The essential replacements are for routers, backbone/communication servers. DFAS plans to invest adequate security hardware while replacing the out of date and aging security protection. Security equipment is also a phased approach and consists of replacing and upgrading firewalls, encryption devices, and enterprise vulnerability scanning devices and intrusion detection hardware. For FY 2004, completion of a standard testing platform for the Defense Corporate Database is planned, which allows standard testing and the reuse of test information across system applications. Additionally, the Private Branch Exchange for Cleveland will require continued funding for the lease-to-own acquisition which will be complete by FY 2005. Electronic Document Management initiative requires replacement equipment to support document workflow, access and scanning for the contract and vendor pay business areas.												

(\$ In Thousands)

Budget Estimates

B. Component/ Activity/ Date:
 Defense Finance and Accounting Service
 February 2003

Minor Construction < \$750,000

DFAS Sites

Total		\$1,636		\$ 804		\$2,345		\$ 1,927
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Narrative Justification:

DFAS Minor Construction supports the various sites which are primarily in CONUS. For FY 2003, there are renovations required at the San Diego site due to deteriorated conditions of the facility. Also, DFAS needs to provide security protection for several sites and funding will support erection of force protection barriers to maintain a secured perimeter. In FY 2004, Minor Construction funding will support renovation of logistic/office facilities in Charleston and upgrades to heating and air conditioning equipment at various sites. Also, additional security improvements are planned for Columbus site by impairing external visibility into the working areas.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Automated Time Attendance and Production System (ATAAPS)			D. Activity Identification DFAS Sites					
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$2,115			\$2,684			\$1,465			\$1,586

Narrative Justification:

The Automated Time Attendance and Production System (ATAAPS) provides an automated, single-source input for reporting and collecting time and attendance (T&A) and labor data and for passing that information to interfacing payroll and accounting systems. Pre-investment economic analysis has not been accomplished for the ATAAPS system.

Examples of system changes currently planned for FY 2003 include: changes required to migrate the current users from the mainframe version of ATAAPS to GUI/Web system. The funds for ATAAPS will support mandatory changes to satisfy legislative requirements and certain other functional changes that meet criteria for capital investment. All system changes have been analyzed for cost benefit to the current and future users. Estimated savings in the amount of \$1,350,381 and estimated cost avoidance of \$3,781,068 will begin in FY04.

Funding provided in FY 2004 will be used to respond to support legislative requirements and certain other functional changes that meet criteria for capital investment. Currently planned FY 2004, changes will be to allow retroactive submission of T&A via SDA to DCPS, as well as capability to support Activity Based Costing. All system changes have been analyzed for cost benefit to the current and future users. Currently planned FY 2004 SCRs estimated savings in the amount of \$2,173,997 will begin in FY 2005 and is no cost avoidance.

The Principal Deputy Secretary, Financial Management, for the Air Force has requested that DFAS assume system management and technical support functions for an existing payroll system and to use that application as the baseline for a replacement system for Korea. A portion of the FY 03 funding will be used for that purpose.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Software Dev/Mod – Business Management Redesign (BMR)/ Electronic Business (e-Biz) Application			D. Activity Identification DFAS Sites					
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$4,033			\$2,761			\$ 250			\$ 250

Narrative Justification:

BMR/e-Biz is a Commercial Off the Shelf (COTS) application that provides accounting, financial management and comprehensive financial planning capabilities. It offers extensive functionality to record financial planning and purchasing events as well as accounts receivable and payable, disbursements, and budgeting activities. All BMR/e-Biz subsystems are fully integrated, so that transactions update budgets, financial plans, projects and the general ledger at the time they are processed. The BMR/e-Biz system will support Working Capital Funds, and General Funds.

BMR/e-Biz is currently planned to be implemented in four phases. FY 2002 funding supported testing and implementation of Phase 1 (Timekeeping). FY 2003 funding will support application development, testing and full technical deployment of Phases 2, 3 and 4 to DFAS. FY 2004 will also allow for further enhancements to meet changes in statutory and policy requirements.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod – Defense Cash Accountability System (DCAS)				D. <u>Activity Identification</u> DFAS Centers				
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$9,249			\$5,387			\$5,106			\$2,206

Narrative Justification:

DCAS is the migration system selected by the Defense Finance and Accounting Service (DFAS) to be the single cash accountability system for the Department of Defense (DoD). DCAS will meet the need to re-engineer and consolidate multiple disparate systems into a single DoD cash accountability and reporting process supporting all DoD components, as well as external stakeholders. Cash accountability is the reporting of disbursements, reimbursements, deposits and receipts to the United States Treasury, as well as all other transactions which would impact the status of funds.

FY 2003 capital funds will support added functionality for yearend reporting, closed account appropriation adjustments, and interfund transactions for Phase 2. It will also support the implementation of DCAS Phase 3, which includes the reconciliation of Treasury expenditure data with accounting system data and the elimination of Financial Reporting System in the DFAS Cleveland and DFAS Kansas City networks. This effort includes costs for finalizing design and development, developmental testing and DCAS Phase 3 Milestone C.

In addition to Phase 2 and Phase 3 functionality, FY 2003 funds will be utilized to initiate identification of requirements for DCAS Phase 4, Treasury and Reconciliation for Indianapolis and Columbus networks, and Phase 5, Treasury and Reconciliation for the Denver network.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)									A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates			
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - DFAS Corporate Database (DCD)					D. <u>Activity Identification</u> DFAS Centers			
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$19,132			\$14,846			\$10,184			\$12,349
Narrative Justification: DCD is a major component of the DFAS strategy to evolve to standard finance and accounting systems and processes. It is the integration engine for the DCII architecture using Oracle relational databases used to interface, standardize and share data between financial systems and provide supplemental functionality to support migratory initiatives. The DCD will incrementally integrate DFAS systems initiatives while minimizing change to legacy applications and other initiatives. It also provides a target for migratory systems to build to and eliminates many of the hurdles that would otherwise be required for the achievement of the full benefits associated with major standardization initiatives such as: the Defense Procurement Payment System (DPPS), the Defense Standard Disbursing System (DSDS), the Defense Cash Accountability System (DCAS), and the Defense Integrated Military Human Resource System (DIMHRS). By integrating the entitlement, disbursing, and accounting data to provide a standard source of shared data that our systems can access, the DCD will facilitate the elimination of such problems as Unmatched Disbursements, Negative Unliquidated Obligations, and the time delays associated with pre-validation. FY 2003 and 2004 funding will be used to field full vendor pay functionality and disbursing, develop requirements and code to support military pay, and develop software and field the DCD/MOCAS End-to-End Solution. Funds will also be used to support DoD Cross Service initiatives (e.g., Treasury Index 97, USSOCOM) and other activities that facilitate the expansion of DoD capabilities and new DCII releases, as required. Also, funding was reduced since testing and integrating with DPPS will not be necessary.												

Exhibit Fund-9b Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - DFAS Corporate Warehouse (DCW)			D. <u>Activity Identification</u> DFAS Centers					
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$7,927			\$5,327			\$5,753			\$5,568

Narrative Justification:

DCW provides central data warehouse capability to store, query and report DoD financial data. It is a business area-oriented, consolidated, historical collection of shared data designed to support management analysis and decision-making for DoD and DFAS customers. The DCW will extract validated historical data from the DFAS Corporate Database, transform the data, and store the data in a multidimensional database. The data is then available for data evaluation, trend analyses, decision-making, and audits. The DCW provides fast access to the data needed for analysis.

FY 2003 and 2004 will provide funding for the continued development of DCW functionality and datamarts in support of the DFAS Corporate Database (DCD), and end user requirements such as data queries, reports, and management information associated with vendor pay, disbursing, and military pay. Funds will also be used to support DoD Cross Service initiatives (e.g., Treasury Index 97, USSOCOM) and other activities that facilitate the expansion of DoD capabilities and new DCII releases, as required. Also, the funds were reduced since testing and integration with DPPS will not be necessary.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)										A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates		
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod -- Defense Civilian Pay System (DCPS)				D. <u>Activity Identification</u> DFAS Sites				
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$8,000			\$7,443			\$8,969			\$9,393

Narrative Justification:

DCPS is a civilian pay and leave accounting, data collection, processing, and reporting system improving productivity, reducing support costs, and satisfying customer requirements by standardizing Department of Defense (DoD) civilian pay functions. The system maintains pay and leave entitlement records, deductions and withholdings, time and attendance data, and pertinent employee employment status. DCPS interfaces with the Defense Civilian Personnel Data System (DCPDS) and a variety of Source Data Automation time and attendance systems, as well as local accounting systems. DCPS interfaces with a total of 18 time and attendance systems, 35 standard accounting systems, and a variety of DoD and federal systems (e.g., Federal Reserve, Thrift Savings Board, etc.). An economic analysis of DCPS was completed in January 1992.

Examples of system changes currently planned for FY 2003 include: changes required to eliminate the use of Pseudo SSNs within DoD; and changes required to automate the debt collection and accounts receivable processes in the payroll offices. Additional changes will support necessary planned and new legislation and policies. Estimated savings in the amount of \$48,995,332 and estimated cost avoidance of \$2,132,086 will begin in FY04.

Funding provided in FY 2004 will be used to respond to new legislation and other mandatory and policy updates. Currently planned FY 2004, changes will support system modifications for the payment of Emergency Medical Technicians (EMT) pay and leave entitlements calculations, as well as system changes to accept electronic data files from TSP. Estimated savings in the amount of \$2,263,000 and cost avoidance of \$18,785,900 will begin in FY05.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)										A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates		
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Software Dev/Mod – Defense Debt Management System (DDMS)				D. Activity Identification DFAS Sites				
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$707			\$760			\$685			\$720

Narrative Justification:

DDMS is the designated system in DoD to support out-of-service debt collections for Air Force, Army, Navy, Marine Corps, Civilians, Retirees and annuitants. The Defense Debt Management System (DDMS) has been fully implemented since 1995. The Capital investment is to continue the ongoing mandated changes to comply with out-of-service debt collection procedures, laws, regulations, and changes and to implement the ongoing system interface changes with system partners such as Treasury Offset Program, Treasury Collection Agencies, and the probable requirements for Treasury Cross-Servicing initiatives to interface with the new FEDDEBT system.

Benefits and savings for FY03, FY04 --- DDMS supports debt collections of over \$72 millions per year. If the DDMS interfaces are not compatible with the Treasury programs, future debt submissions to Treasury would have to be cancelled and existing debts would need to be recalled. DoD, Treasury, and Congress would have to be notified that DoD will stop participating in the Treasury debt collection programs, placing the agency outside of compliance with the Debt Collection Improvement Act (DCIA) of 1996 and other legal requirements. All collection actions must comply with laws, regulations and procedures.

FY 2003 and 2004 funding will support the system changes to DDMS (mandatory changes, system interfaces and reporting). DDMS in turn will support the out-of-service debt collection and claims management functions to meet DFAS mission.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Departmental Reporting System (DDRS)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$6,091			\$1,857			\$1,652			\$800

Narrative Justification:

DDRS will standardize the departmental reporting process for all DoD Fund Types. This modern system will be used to produce the DoD Audited Financial Statements and budgetary reports from a single database, provide data query and report generation tools, eliminate the need for manual reconciliation, and operate within the DFAS Corporate Information Infrastructure environment (DCII). DDRS will eliminate eight (8) legacy departmental reporting systems, two (2) major command reporting systems and one (1) headquarters system.

FY 2003/2004 capital funds will be used to accomplish the following: Update DDRS AFS/FACTS I for FY2003 and FY2004 annual reporting. Deploy a Data Collection Module to support AFS accelerated reporting requirements. Implement an Analysis Reporting Module to meet customer's ad hoc managerial reporting requirements. Implement DDRS Budgetary functionality for General Funds at DFAS CL and KC and for General Funds and Working Capital at DFAS CO, DFAS IN and DFAS DE. Continue all developmental and implementation efforts of DDRS in support of the DCII environment. Achieve Milestone C approval and IOC.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Industrial Financial Management System (DIFMS)				D. <u>Activity Identification</u> DFAS Sites				
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$12,715			\$1,000			\$1,000			\$1,000

Narrative Justification:

DIFMS is a major cornerstone in the DFAS effort to standardize accounting systems. DIFMS has been deployed to replace the legacy systems in operation at the Navy and Marine Corps Depot Maintenance (DM) business activities and the Navy Research and Development (R&D) business activities. It is currently being deployed to Air Force DM business activities and the final scheduled Navy R&D business activity. At full deployment (scheduled for FY03), DIFMS will support 3 Naval Aviation Depots, 2 Marine Corps Logistics Bases, 3 Air Force Logistics Centers, and 11 Navy R&D activities. DIFMS provides a fully integrated financial system including a transaction driven general ledger. DIFMS consists of 13 subsystems: cash, labor, other cost, material, cost summary, job order/customer order, billing, general ledger, purge/history, fixed asset, system parameters, budget tracking and cost competition. The system interfaces directly with standard DoD systems. DIFMS is Chief Financial Officer Act (CFO) and Federal Managers Financial Integrity Act (FMFIA) compliant.

FY 2003 and 2004 funds support the system requirements to the remaining Navy R&D activity, the remaining two Air Force Logistics Centers and the final testing and deployment of the Technical Refresh (TR) of the application software to the existing production activities.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)										A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates			
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Software DevMod: Defense Integrated Military Human Resource System – Pay Module (MilPay Systems Transformation Office)						D. Activity Identification DFAS Sites			
FY 02				FY 03			FY 04			FY 05			
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
Total			\$14,317			\$9,697			\$6,628			\$5,782	

Narrative Justification:

The DIMHRS Pay Module (DPM) provides the pay functionality and operations of the overall DIMHRS (Pers/Pay) Program. The DFAS Military Pay System Transformation Office provides DFAS support to the DIMHRS program.

For FY 2002: The DIMHRS (Pers/Pay) JPM has received OSD C3I approval for a change in Migration Strategy that would deploy an integrated Pers/Pay system to the Army, beginning in July 2004. The DIMHRS Pay Module will be included as part of the first useful asset to be delivered. Milestone B approval of the DIMHRS (Pers/Pay) Program is scheduled for 1st quarter FY 2003. A Comprehensive Analysis of PeopleSoft applicability to military personnel and pay requirements will be completed. Business Process Re-engineering will be conducted concurrently to maximize PeopleSoft fit to military requirements. The DIMHRS (Pers/Pay) JPMO will award Phase I of the developer/implementor (D/I) contract. Data clean-up activities and data mapping to the COTS database will be initiated. Data migration software will be developed and tested to extract records from DJMS, in preparation for loading to the DIMHRS COTS data structures.

The FY 2003 capital funding will complete development requirements and conduct testing for initial deployment. The funding will also complete final interfaces to the DFAS Corporate Database and DFAS Operating Infrastructure along with connectivity and data requirements for the DIMHRS consolidated data store. Data conversion software will be developed and tested to extract records from DJMS and MCTFS for loading to the DIMHRS COTS data structures. Data conversion of military pay master files for the Navy, Marine Corps, and Air Force will be initiated.

In FY 2004, projected accomplishments include Milestone C1 (authority to deploy to the Army) scheduled for fourth quarter. Army migration to DIMHRS (Pers/Pay) environment scheduled to begin in July 2004, to be completed within 18 months. Navy, Marine Corps, and Air Force Service unique and other adhoc requirements programming, testing, and debugging will be in progress.

For FY 2005, Milestone C2, C3 and C4 (authority to deploy to the Navy, Marine Corps, and Air Force respectively) scheduled for third quarter. Navy, Marine Corps, and Air Force migration to DIMHRS (Pers/Pay) environment scheduled to begin in third quarter FY 2005, to be completed within 18 months. DIMHRS (Pers/Pay) training for the Navy, Marine Corps, and Air Force will be completed.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Joint Accounting System (DJAS)				D. <u>Activity Identification</u> DFAS Sites				
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$3,625			\$0			\$0			\$0

Narrative Justification:

DJAS has been identified as the migratory general fund accounting system for the DFAS Indianapolis customer base. The DFAS-IN current customer base includes Defense Agencies (to include the Defense Security Cooperation Agency (DSCA)); Army Posts, Camps and Stations; Army National Guard; and Army Materiel Command. These customers were selected to use DJAS because they closely map to the Army business practices and fiscal coding structure employed in DJAS. DJAS supports funds control, general ledger, accounts receivable, accounts payable, financial reports, cost management and core financial systems management for general funds at installation level. DJAS will: (1) provide our major customers with a state-of-the-art, relational database system which provides easy access to on-line, real-time financial information, (2) provide an automated information system that will bring financial data for general funds under general ledger control and comply with GAO and OMB mandates, support the single-source entry of data, accommodate standard data, and use the U.S. Standard General Ledger, and (3) provide the capability to comply with the Government Performance and Results Act (GPRA), the Paperwork Reduction Act (PRA), and the Financial Manager's Financial Integrity Act.(FFMIA).

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				D. <u>Line No. & Item Description:</u> Software DevMod - Defense Joint Military Pay System - (DJMS)			D. <u>Activity Identification</u> DFAS Sites					
		FY 02		FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
DJMS-AC			\$12,079			\$13,621			\$ 4,195			\$0
DJMS-RC			\$4,767			\$ 8,636			\$ 2,368			\$0
Total			\$16,846			\$22,257			\$6,563			\$0

Narrative Justification:

Defense Joint Military Pay System (DJMS)—Active Component (DJMS-AC) and Reserve Component (DJMS-RC)—are legacy systems. They pay Army, Navy, and Air Force Active Duty and Reserve forces, US Military Academies, National Guard, Officer Training Corps, and Armed Forces Health Professional Scholarship Program—over 2.4 million customers.

In the FY 2002 President's Budget, DJMS was projected to go into a maintenance mode based upon the implementation of the DIMHRS in the FY 06-08 timeframe. The numerous manual workarounds required to supplement pending system changes have resulted in Service priorities and mandatory legislative requirements being delayed. There is a backlog of pending legislation, as well as policy and regulation changes, that have resulted in extreme manual workload to central and field operations. Accuracy and timeliness of pay has been degraded. Stabilization and relief of manual workload is imperative in the interim to DIMHRS implementation. It is anticipated that new legislative items will be implemented, which will further exacerbate the problem. DJMS must remain in an enhancement mode in FY 2002-2005 pending DIMHRS deployment. The investment applied to DJMS will provide for a stable platform, which will prevent imminent payroll failure and free up operational resources for other requirements.

System enhancements will result in an estimated \$485,809,365 of cost avoidance savings for FY02. Estimated actual savings for FY03 and FY 04 are \$46,171,704 and \$8,919,780, respectively.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							B. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				E. Line No. & Item Description: Software DevMod – Defense Procurement Payment System (DPPS)			D. Activity Identification DFAS Sites					
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$12,827			\$700			\$0			\$

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Retiree and Annuitant Pay System (DRAS)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$1,909			\$1,800			\$1,800			\$1,858

Narrative Justification:
 DRAS is the standard, consolidated system for paying all Army, Navy, Marine Corps, and Air Force military retirees, annuitants and former spouses. DRAS establishes, maintains, and adjudicates pay accounts. It interfaces with each Service's military personnel center, the Social Security Administration, the Department of Veterans Affairs, the Defense Manpower Data Center (DMDC), and the Department of Treasury.
 In support of its mission, further capital investments will be made to: improve the interfaces with each Service's military personnel center, modify the system to accommodate Employee/Member Self Service (E/MSS) capabilities, Salary Offset Reporting System/Treasury Offset Program in RCPS and APS, Long Term Health Care, and other legislative changes that are not identified at this time. Funding for anticipated legislation is critical since if changes are not accomplished, DRAS would not be in compliance with current laws, and/or 2.3 million retirees/annuitants could be paid incorrectly.
 Since the DRAS funding is for anticipated legislation, pre-investment economic analysis has not been completed. In addition, we cannot identify savings or cost avoidance for anticipated legislation.
 Capital funding will be used to process mandatory adjustments to comply with customer/legislative requirements. System development, changes, and enhancements will be made by the new outsourcing contractor, ACS Government Services, at the direction of and with funding by the DFAS Continuing Government Activities (CGA) group.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Defense Standard Disbursing System (DSDS)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$7,153			\$5,907			\$3,500			\$1,000

Narrative Justification:

DSDS will be the standard disbursing system used DFAS-wide to make payments, accept collections, and maintain accountability for public funds. The purpose of the DSDS is to increase the efficiency and effectiveness of disbursing operations, thus reducing costs. Currently, there are three major disbursing systems supporting DFAS. Additionally, there are 26 entitlement systems that perform some disbursing functions. The Disbursing Officer (DO) accountability process is a combination of various system outputs and spreadsheets. The current disbursing systems do not create all of the DO accountability reports. DSDS will resolve these manual operations and standardize the business process throughout the Department. It will interface with multiple entitlement and accounting systems through the DFAS Corporate Database (DCD). DSDS will replace the Automated Disbursing System (ADS), Consolidated Disbursing System (CDS), and Standard Financial System (STANFINS) Redesign-1.

FY 2003 funds will support software develop requirements to support deployment of DSDS at DFAS-Columbus, and development of expanded functionality and testing to deploy DSDS at DFAS-Cleveland in fourth quarter 2003. FY 2004 funds will be used to develop and test additional functionality required to support the deployment of DSDS to DFAS Indianapolis (Army disbursing network) and DFAS Denver (Air Force disbursing network).

Exhibit Fund-9b Activity Group Capital Purchase Justification

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				C. Line No. & Item Description: Software Dev/Mod - Defense Working Capital Accounting System (DWAS)			D. Activity Identification DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$5,810			\$1,400			\$500			\$976

Narrative Justification:

The DWAS is the migratory system selected to replace the Defense Automated Printing Service's (DAPS) Printing Resources Management Information System (PRIMIS), the Naval Public Works Center's (PWC) Public Works Center Management Information System (PWCNIS), the Naval Facilities Engineering Service Center's (NFESC) Financial Management Information System (FINMIS), the Defense National Stockpile Center's (DNSC) accounting processes, and the Information Services Activity Group's (ISAG) Industrial Fund Accounting System (IFAS). The DAPS, NFESC, DNSC, and ISAG deployments have been completed. Continued implementation of DWAS to the PWC's will result in the elimination of nine local unique versions of PWCNIS.

FY 03-FY04 capital funding will be used to modify and standardize critical processes within DWAS to improve system processes and efficiencies and correct critical interfaces deficiencies required to support electronic invoicing with STARS One Bill Pay. Increased efficiency of these processes to reduce rework, streamline processing requirements, and support the Department of Defense goals move to a "paperless" environment.

No cost savings or cost benefit analysis has been performed at this time. However, a CBA will accomplished to validate any cost savings to DFAS and are being developed.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				D. Line No. & Item Description: Software Dev/Mod – Employee/Member Self Service (E/MSS) – My pay			D. Activity Identification DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$1,006			\$2,450			\$1,600			\$725

Narrative Justification:

E/MSS (My Pay) is a self-service capability that reduces the number of routine telephone and paper account change requests processed by DoD personnel. The system allows DFAS to cope with personnel cuts and reduces operating costs without degrading customer service by giving civilian, active duty, retired, and reserve DoD customers the ability to review and make changes to their accounts. The FY-03/04 requirements are to develop new transaction capabilities and enhance the delivery of online products to the customer population, including: The “Cambridge Initiatives” (e.g., smart LES), Master PIN database benchmarking initiatives, Thrift Savings Plan (TSP), Travel Advise of Payment (AOP),(pay allotments, Savings Bonds, the on-line display of pay statements for retirees and annuitants, and the display of income tax statements. In addition, the system delivers Leave and Earnings statements (LES) electronically and reduces costs associated with the printing and mailing of hard copy LES statements.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - General Accounting and Finance System-Reengineered (GAFS-R)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$8,362			\$1,050			\$1,648			\$1,425

Narrative Justification:

The General Accounting and Finance System – Rehost (GAFS-R) will replace COARS, SOF, CRS, BARS, CITS/Paperview and AFSE. It will also provide Air Force with a transaction driven general ledger. The Denver network manpower savings cannot be realized without GAFS-R. In FY 2003, GAFS-R development requirements include full expansion of USSGL Chart of Accounts and departmental requirements to support DDRS along CAMS Interface (PP&E/OM&S) and regulatory requirements for year-end close-outs. FY 2004 requirements will complete PP&E/OM&S interfaces and develop priority requirements to support miscellaneous obligations and regulatory fiscal reporting.

The projected manpower and system savings are estimated savings based on FY03 and FY04 investments are \$500K in FY 2004 with increase savings in the out-years. For FY 03 investments, there is cost avoidance of \$375K due to more timely reporting and accurate information

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod – Integrated Accounts Payable System (IAPS)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$111			\$575			\$200			\$0

Narrative Justification: Integrated Accounts Payable System (IAPS) performs the accounts payable functions (vendor pay) primarily for the Air Force. FY 2003 funding will establish an IAPS to Standard Material Accounting System (SMAS) interface to support Standard Base Supply System (SBSS) payment transactions upon deployment of SMAS eliminating the need for manual input of information. Establish an IAPS interface file of pending Foreign Military Sales payments for an automated inquiry into Defense Integrated Financial System (DIFS) to obtain expenditure authority approval/denial eliminating need for manual inquiry. Establish an interface of Electronic Data Interchange (EDI) 821 Obligations/810 Certified Invoices to support PowerTrack eliminating manual input of PowerTrack obligations, invoices, and receipts. Establish capability to electronically accept receiving report data (EDI 861) from Wide Area WorkFlow (WAWF) eliminating need to manually input receiving reports. WAWF deployment will be delayed until EDI 861 functionality is available. FY 2004 funding will modify current contracting interfaces to process new contracts and modifications using a standard User Defined File based on EDI 850 and 860 transaction sets.

(*) Includes \$5,440,500 in cost avoidance.
FY03 System Change Requests (SCRS): \$292,400 savings in FY03; \$6,067,750 * savings in FY04 (includes \$5,440,500 cost avoidance)
FY04 SCRS: \$19,375 savings in FY04; \$232,000 savings in FY05

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				D. <u>Line No. & Item Description:</u> Software Dev/Mod - Marine Corps Total Force System (MCTFS)			D. <u>Activity Identification</u> DFAS Sites					
		FY 02		FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$5,312			\$7,153			\$11,357			\$0

Narrative Justification:

MCTFS is an integrated pay and personnel system supporting Marine Corps personnel and management requirements. The MCTFS database maintains an electronic record for every active duty, reserve, and retired Marine. Marine active duty and reserve records contain both military pay and personnel data, thereby eliminating the need to store individual data in multiple databases for use by multiple systems. The military pay function supports computation and net pay to individual Marines along with distribution of military pay deductions. The MCTFS database includes a comprehensive history of pay entitlements, deductions, and payments for all active duty and reserve Marines. For retired Marines, the MCTFS database contains only personnel management data. The DFAS Strategic Plan (STP) 4-2 Study was completed in October 1991.

FY 2003 capital funds will support completing 2 major system update releases implementing legislative requirements such as Intransit Base Allowance Housing (BAH), Family Separation Housing and OHA Rate Protection. Project funding will be required to improve the MCTFS interface with the Marine Corps Accounting System, to implement subsequent phases of the E/MSS projects and update the Remote Access Pay Transaction System that supports deployed Marines. Estimated Annual Cost Avoidance of \$61,930,367 to begin in FY04.

FY 2004 capital funds will support the continuing effort for E/MSS phased improvements, legislative changes and customer enhancements to ensure complete operability of the system. Estimated Annual Cost Avoidance of \$542,224,464 to begin in FY05.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Material Financial Control System (MFCS)			D. <u>Activity Identification</u> DFAS Sites					
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$1,260			\$1,202			\$1,000			\$1,500

Narrative Justification: The Material Financial Control System (MFCS) is a migratory Defense Working Capital Fund (DWCF) system for the Navy Supply Management Business Area. MFCS is a mixed system owned by the Naval Supply Systems Command (NAVSUP) and DFAS, who is the functional manager for accounting. MFCS performs funds control, accounts receivable, accounts payable, billing, expenditure processing, and inventory accounting (including in-transit tracking and reconciliation) for both DWCF and appropriated funds.

FY 2002 & FY 2003 capital funding will support the remaining consolidation efforts of NVASUP Uniform Automated Data Processing System into MFCS. The remainder of FY 2003 and all of FY 2004 capital funding will provide system changes due to various compliance actions as a result of the final migration issues. It will also provide funding for integration with the DFAS Corporate Database (DCD) and the DCII environment.

No pre-investment economic analysis and cost benefit analysis was conducted on the FY03 System Change Requests (SCRs) submitted.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				D. <u>Line No. & Item Description:</u> Software Dev/Mod - Mechanization of Contract Administration Services (MOCAS)			D. <u>Activity Identification</u> DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$423			\$10,646			\$5,000			\$0

Narrative Justification:

The Defense Finance and Accounting Service (DFAS) uses MOCAS in the administration and payment of supply and service contracts. In accordance with terminating Defense Procurement Payment System (DPPS) capital was provided to upgrade MOCAS. MOCAS Rehost is Mission-Critical to DFAS, in support of Weapon Systems and its Warfighter programs concerned with on-time delivery of resources, regardless of the product or resource. The FY 03 funding will be used for the MOCAS Rehost initiative in migrating the current COBOL, MANTIS and Job Control Language (JCL) programs and database files from a hierarchical structure to a Relational Database Management System (RDBMS). It is important to note that our MOCAS Rehost project addresses current "As-Is" MOCAS Contract Management and Contract Pay functionality. The MOCAS Rehost utilizes an incremental phase approach as follows:

- Baseline functionality needed prior to re-host of MOCAS.
- Migrate MOCAS to RDBMS.
- Provide a batch conversion to on line - real time interactive processing.
- Provide the integration of vendor pay system processes.

The FY 04 funding will provide for the software design, software development, software testing and acceptance of the MOCAS Rehost application.

ACTIVITYGROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)									A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates			
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				D. <u>Line No. & Item Description:</u> Software Dev/Mod - Operational Data Store (ODS)				D. <u>Activity Identification</u> DFAS Sites				
	FY 02			FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$250			\$1,900			\$2,800			\$1,300
Narrative Justification: Operational Data Storage (ODS) is an oracle relational database storing entitlement transactions (request for payment), payment information and accounting information related to those payments and can be queried by many different report writer software tools. It interfaces with DCAS. The FY03 and FY04 funds will support the integration of all Army legacy systems and provide the Army will a consolidated information tool. ODS will interface with MOCAS, STANFINS, SOMARDS, CEFMS, DJAS, SABERS to support departmental data for DDRS. ODS will also interface for obtaining, receiving, editing and recording the expenditure authority for Foreign Military Sales transactions not under OPAC/IPAC. This effort is be coordinated and developed in conjunction with the DFAS Corporate Database and DFAS Corporate Warehouse and will support the necessary data in a central location for the DCII applications. The ODS strategy is being incorporated into the overall DCD/DCW environment and ODS should be eliminated as the migratory accounting system replace the Army legacy systems.												

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)									A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates			
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003				C. <u>Line No. & Item Description:</u> Software Dev/Mod - Standard Materiel Accounting System (SMAS)				D. <u>Activity Identification</u> DFAS Sites				
Element of Cost	FY 02			FY 03			FY 04			FY 05		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$6,146			\$1,125			\$164			\$205

Narrative Justification:

The Standard Materiel Accounting System (SMAS) is a Defense Working Capital Fund (DWCF) system that performs accounting and financial reporting for the Air Force (AF) Supply Management Business function. This includes AF base supply, hospitals, dental clinics, dining halls, and residual fuels. SMAS is an on-line, transaction-driven system under general ledger control. SMAS maintains accounting records for fixed assets, inventory, receivables, payables, funds, and management information. Financial reports are prepared and distributed to AF customers. SMAS interfaces with 11 logistics systems, two financial management systems, one acquisition system, and five accounting systems.

The FY 2003 and FY 2004 funds will be used to modify the mission essential system change requests.

ACTIVITYGROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2003				E. Line No. & Item Description: Software Dev/Mod - Standard Accounting and Reporting System (STARS)			D. Activity Identification DFAS Sites					
		FY 02		FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Total			\$1,388			\$1,945			\$2,375			\$3,000
Narrative Justification: STARS is a general fund accounting and reporting system. STARS has been selected as the migratory system to consolidate all Navy general fund accounting and reporting operations. STARS manages approximately 3/4 of a trillion dollars in current and prior year funds for the Navy. STARS is composed of three major sub-systems: 1) STARS-FL (Field Level Accounting), 2) STARS-HQ (Headquarters Accounting and Reporting for Funds Administrators, Major Commands and Systems Commands or equivalents), and 3) STARS-Funds Distribution and Departmental Reporting (STARS-FDR). FY 2003 capital funding provides for the following STARS projects: centralized scheduling, Smart Card Transport Platform from Public Key Infrastructure (PKI), Table Validation Audit Trail, STARS Global Edit Table, STARS – Funds Distribution, STARS/ SABRS (Standard Accounting & Budgeting Reporting System) Activity Level Reporting, STARS/ SABRS - Marine Corps Enhancements to MCR/FDR, Working Capital Funds to General Fund Activities (i.e. Seal Beach/NAVESC) to STARS. Various mandatory and customer-driven efforts would also be addressed in FY 2002. FY 2004 capital funding provides for re-engineering of STARS FDR/MCR to standardize all critical processes. Cost benefit analysis was performed. Total savings for FY03-FY04 initiatives was estimated at \$2,919,223. Savings of \$460,773 for FY03 initiative will begin in FY04. Additionally, the intrinsic values associated with correcting these critical processes are significant and should be considered as part of the Return on Investment (ROI).												

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates				
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2003			C. <u>Line No. & Item Description:</u> Software Dev/Mod - Other Accounting (General Fund) Systems				D. <u>Activity Identification</u> DFAS Sites				
Element of Cost	FY 02			FY 03			FY 04			FY 05	
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Total Cost
PBAS-FD			\$0			\$0			\$0		\$500
SCRT			\$0			\$250			\$0		\$0
DIFS- R			\$100			\$150			\$0		\$0
SABRS			\$1,692			\$0			\$300		\$300
NAFCPS			\$0			\$0			\$0		\$0
STANFINS			\$0			\$375			\$0		\$0
Total			\$1,792			\$775			\$300		\$800

Narrative Justification:

The Program and Budget Accounting System (PBAS) is the only standard system, that records the receipt and distribution of financial resources appropriated for and/or administered by the Departments of the Army, Navy, and Defense. The Security Assistance Automated Reconciliation System (SAARS)/Standard Contract Reconciliation Tool (SCRT) is a comprehensive system that automates and streamlines the contract reconciliation process. SCRT is a Windows application with user-friendly screens for accessing and updating information. The SCRT database is designed to accept and format data from external organizations and provides a central point of communication that facilitates the team reconciliation process and eliminates duplicate efforts. The Standard Accounting, Budgeting and Reporting System (SABRS) has been enhanced to provide full accounting support for all Marine Corps general funds at installation/intermediate command levels and support of departmental level accounting/reporting processes in compliance with Federal Financial Management Requirements (FFMRs). The Non-appropriated Funds Civilian Payroll System provides accounting for Army NAF operations.

The FY 2003 funding for SCRT is to consolidate contract pay information and reconciliation processing by interfacing the Contract Reconciliation System. This will eliminate duplicate data and provide for a standard process with consistent data for contract pay operations. DIFS-R will provide an interface between DSAMS and DFAS accounting systems. SCRT annual savings starting in FY 2004 is \$255,000. DIFS-R annual estimated savings starting in FY 2005 is \$90,000 plus.

The funds in FY03 funding for SABRS and STANFINS are for legislative and other regulatory changes for the Marine Corps and Army accounting environment. There are no anticipated savings for these legislative changes.

ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates					
B. Component/ Activity/ Date:				C. Line No. & Item Description:			D. Activity Identification					
Defense Finance and Accounting Service February 2003				Software Dev/Mod – Other Administrative and Support Systems			DFAS Sites					
FY 02				FY 03			FY 04			FY 05		
Element of Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
EDM			\$222			\$0			\$0			\$0
EC/EDI			\$1,489			\$190			\$692			\$633
LDRPS			\$0			\$1,735			\$0			\$0
System Security			\$0			\$602			\$600			\$700
SID			\$0			\$113			\$113			\$113
Office Auto (OA)			\$2,500			\$5,000			\$3,379			\$3,600
ELAN			\$0			\$700			\$600			\$700
VPIS			\$0			\$200			\$0			\$0
Other			\$1,675			\$1,757			\$900			\$650
Total			\$5,886			\$10,297			\$6,284			\$6,396

Narrative Justification: Administrative support systems provide office automation (i.e. Troy-Bowe), administrative support and standardized business practices to DFAS Headquarters and sites. Initiatives include the following: Electronic Commerce (EC/EDI) provides for standardization of DFAS efforts in development/maintenance of ANSI transaction formats; VPIS supports inquiry into vendor pay actions by government/commercial sources; Living Disaster Recovery Planning System (LDRPS) allows the linkage of all DFAS sites into a contingency plan network; Security assists in creating an environment which is more secure from attacks and permits intrusion detection; System Inventory Database (SID) maintains an updated inventory of all DFAS systems' specifications, hardware requirements, and functionalities; Office Automation supports DFAS enterprise initiatives such as EPortal and DMO Pay front-end processing legislative actions. The garnishment and vendor entitlement initiatives (e.g. GARN, STARS – One Bill Pay) support the entitlement and pay operations. The rest of the funds in FY02 and FY03 will be used to maintain functionality and accommodate customer changes to the Enterprise Local Area Network (ELAN). Possible upgrades and revisions of software packages related to ELAN include performance monitoring, network management, router management, Database management, Internet connection management, and protocol analyzer.

DEFENSE FINANCE AND ACCOUNTING SERVICE

ACTIVITY GROUP: DWCF

FY 2003

**FY 2004 FINANCIAL OPERATIONS BUDGET ESTIMATE
(\$000)**

Projects on the Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates

Equipment except ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
03	None					

Equipment - ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
03	Enterprise LAN	\$6,327.0	\$1,167.0	\$7,494.0	\$7,494.0	
03	PBX - Telephone System	\$723.0	\$0.0	\$723.0	\$723.0	
03	System Security	\$0.0	\$1,345.0	\$1,345.0	\$1,345.0	
03	DFAS Corporate Database	\$620.0	\$0.0	\$620.0	\$620.0	
03	Electronic Document Mgmt	\$565.0	\$565	\$1,130	\$1,130	
03	Defense Integrated Military Human Resource System	\$0.0	\$250.0	\$250.0	\$250.0	
03	Defense Civilian Pay System	<u>\$125.0</u>	<u>-\$125.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	
	TOTAL	\$8,360.0	\$3,202.0	\$11,562.0	\$11,562.0	\$0.0

An aging infrastructure and the increasing need to protect DFAS systems and data drove the increase. DFAS Corporate Infrastructure will be phasing the upgrade to the backbone Gigabit processing capability and replacement of routers, backbone/communication servers. The mid-tier/Web system replacements will be also phased over the next several years to maintain current operating conditions. Security upgrades and replacement equipment for DFAS Corporate Infrastructure includes enhanced firewalls, encryption, and security detection devices for DISA. DFAS Corporate Database and Defense Integrated Military Human Resource System funding will support expansion of development testing platforms. The Electronic Document Management requires funding to support the replacement of scanning and storage equipment in support of contract payments. The Private Branch Exchange funding support the acquisition for a lease to own option which will end in FY 2005.

Minor Construction

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
03	Minor Construction	\$804.0	\$0.0	\$804.0	\$804.0	\$0.0

The funding for the Minor Construction program will support renovations of Office Space at San Diego site and construct force protection barriers at various sites.

Software Development and Modification (SW DEVMOD)

1. Defense Working Capital Fund Accounting Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
03	Business Management Redesign/e-Biz	\$2,490.0	\$270.8	\$2,760.8	\$2,760.8	
03	Defense Industrial Financial Management System	\$5,298.0	-\$4,298.0	\$1,000.0	\$1,000.0	
03	Material Financial Control System	\$1,202.0	\$0.0	\$1,202.0	\$1,202.0	
03	Standard Material Accounting System	\$4,132.3	-\$3,007.3	\$1,125.0	\$1,125.0	
03	Military Sealift Command Financial Mgmt System	\$0.0	\$1,875.0	\$1,875.0	\$1,875.0	
03	Defense Working Capital Accounting System	<u>\$6,602.3</u>	<u>-\$5,202.3</u>	<u>\$1,400.0</u>	<u>\$1,400.0</u>	
	TOTAL	\$19,724.6	-\$10,361.8	\$9,362.8	\$9,362.8	\$0.0

The reductions in capital funds are the result of completion of the development phases for the key DWCF accounting systems as the systems transition into a deployed and operational environment. The Defense Working Capital Accounting System (DWAS), Standard Material Accounting System (SMAS), Material Financial Control System (MFCS) and Defense Industrial Financial Management System (DIFMS) require changes resulting from the on-going site implementations and core accounting refinements. BMR/e-Biz is a phased developmental effort which should reach full operating capability by end of 2004. BMR/e-Biz should incorporate all necessary accounting and current infrastructure functionality to support DFAS and other customers. Military Sealift Command Financial Management System requirements should incorporate changes necessary for the core financial accountability requirements such as cash accountability and refinement of reconciliation and suspense account reviews.

2. General Accounting Fund Systems Migratory Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
03	Standard Contract Reconciliation Tool	\$1,000.0	-\$750.0	\$250.0	\$250.0	
03	Defense Joint Accounting System	\$4,905.0	-\$4,905	\$0	\$0	
03	Defense Cash Accountability System	\$7,712.8	-\$2,325.8	\$5,387.0	\$5,387.0	
03	Defense Departmental Reporting System	\$1,706.0	\$151.0	\$1,857.0	\$1,857.0	
03	Standard Finance System	\$0.0	\$375.0	\$375.0	\$375.0	
03	General Accounting & Finance System - Reengr	\$1,500.0	-\$450.0	\$1,050.0	\$1,050.0	
03	Standard Accounting & Reporting System	\$4,700.0	-\$2,755.0	\$1,945.0	\$1,945.0	
03	Standard Accounting & Budgeting and Reporting Sys	\$2,000.0	-\$2,000.0	\$0.0	\$0.0	
03	Program & Budget Accounting Sys-Fund Distribution	\$500.0	-\$500.0	\$0.0	\$0.0	
03	Defense Integrated Financial System-Reengr	\$1,594.0	-\$1,444.0	\$150.0	\$150.0	
03	Program & Budget Accounting System-Order Control	\$300.0	-\$300.0	\$0.0	\$0.0	
03	Operational Data Store	<u>\$1,900.0</u>	<u>\$0.0</u>	<u>\$1,900.0</u>	<u>\$1,900.0</u>	
	TOTAL	\$27,817.8	-\$14,903.8	\$12,914.0	\$12,914.0	\$0.0

The General Accounting systems' changes are contributed to the refinement of deployment costs for the migratory efforts while addressing the full requirements of the mission and DFAS customers. Currently, Defense Joint Accounting System will maintain its current level of deployment upon further finalization of decisions on a general fund replacement strategy, however, no capital funding will be used for further modernization and development. The Defense Cash Accountability System and Defense Departmental Reporting System should reach full operating capability in 2004. Site deployment initiated requirements as well as their phased development process require a significant level of on going development efforts. General Accounting and Finance System – Reengineer will be completing its development phase and start initial operating capability during 2003. Standard Accounting and Reporting System changes are centered on core accounting and fund distribution functionality. The Operational Data Store will interface with all Army legacy accounting and finance systems for improved processing of data and create a data mart for Army financial information and reporting. Defense Integrated Financial System – Reengineer must provide interfaces between DSAMS and DFAS accounting systems.

to provide accounting for each military department for the Security Assistance (SA) mission to train foreign and domestic customers of SA products and services. Standard Contract Reconciliation Tool will develop data interfaces with Contract Reconciliation System to reduce data redundancy and improve contract payment operations.

3. Administrative Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
03	Electronic Document Mgmt	\$435.0	-\$435.0	\$0.0	\$0.0	
03	Electronic Commerce/Data Interchange	\$131.0	\$59.0	\$190.0	\$190.0	
03	DFAS Corporate Database	\$9,420.6	\$5,425.2	\$14,845.8	\$14,845.8	
03	DFAS Corporate Warehouse	\$3,992.0	\$1,335.0	\$5,327	\$5,327	
03	Vendor Pay Inquiry System	\$200.0	\$0.0	\$200.0	\$200.0	
	TOTAL	\$14,178.6	\$6,384.2	\$20,562.8	\$20,562.8	\$0.0

The changes for DFAS Corporate Database and DFAS Corporate Warehouse will support the complete vendor pay strategy and the initial requirements for deployments of DCAS, DDRS and other key migratory accounting systems to Cleveland environment. The DCD and DCW funding was reduced for the testing and integration of DPPS. The changes in strategy to fully support the interface development requirement for deployment of Defense Procurement Payment System and required associated data and processing with key systems and DFAS infrastructure. The deployment to Cleveland Center will eliminate duplicate efforts and systems which should reduce costs and increase financial reporting accuracy for the Navy. Vendor Pay Inquiry System will provide a web-based self-service data source for government and commercial personnel. VPIS will also provide electronic advice of remittance in lieu manual mailings. Electronic Commerce supports the modification of new and revised standard ANSI X-12 EDI transactions and Wide Area WorkFlow development for the overall procurement end-to-end solution. Electronic Document Management will maintain its current operations and will use central design activity (CDA) maintenance funding until complete of vendor pay implementations.

4. Disbursing Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
03	Defense Standard Disbursing System	\$4,300.0	\$1,607.0	\$5,907.0	\$5,907.0	
03	Deployable Disbursing System	<u>\$2,600.0</u>	<u>\$0.0</u>	<u>\$2,600.0</u>	<u>\$2,600.0</u>	
	TOTAL	\$6,900.0	\$1,607.0	\$8,507.0	\$8,507.0	\$0.0

The increase for Defense Standard Disbursing System supports the strategy for the vendor pay end-to-end processing environment and changes for the DFAS corporate infrastructure. DSDS will deploy to the Cleveland Center in FY 2003 and replace their current disbursing systems. The Deployable Disbursing System incorporate new interfaces for accountability and changes identified during fielding of the system. DDS will start deployment in late 2002 with anticipated full operating capability by end of 2003.

5. Military Pay Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
03	Defense Integrated Military Human Resource	\$15,006.0	-\$5,309.0	\$9,697.0	\$9,697.0	
03	Employee/Member Self Service System	\$2,050.0	\$400.0	\$2,450.0	\$2,450.0	
03	Defense Joint Military Pay System – Active/Reserve	\$16,761.0	\$5,495.9	\$22,256.9	\$22,256.9	
03	Marine Corps Total Force System	\$4,270.0	\$2,883.1	\$7,153.1	\$7,153.1	
03	Defense Retiree & Annuitant Pay System	<u>\$2,344.0</u>	<u>-\$544.0</u>	<u>\$1,800.0</u>	<u>\$1,800.0</u>	
	TOTAL	\$40,431.0	\$2,926.0	\$43,357.0	\$43,357.0	\$0.0

Defense Joint Military Pay System has documented all key system functionality and requirements. The funding reflects the priority requirements of the Military Services. Legislative changes are the driven for the continued development efforts. Requirements with manual workarounds have been evaluated and provide high return on investments. Defense

Integrated Military Human Resource System decrease is due to changes in schedule and functionality changes in order to coincide with the deployment plans of the DIMHRS military personnel module. Marine Corps Total Force System increases will finalize changes with thrift saving requirements and incorporate legislative changes. There were numerous changes delayed due to the increased scope and accelerated timeline for TSP to the military personnel and these changes must be accomplished in conjunction with the FY 2003 legislative requirements. Employee/Member Self Service System (EMSS) will incorporate improvements to the current electronic processes for LES, Master PIN database and thrift saving/bond information. This will notify the employee/service member of a change in their LES status. EMSS will provide for more interactive question/answer capability which should reduce the manual support requirements.

6. Other Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
03	Defense Procurement Payment System	\$5,342.6	-\$4,642.6	\$700	\$700.0	
03	System Inventory Database	\$113.0	\$0.0	\$113.0	\$113.0	
03	System Security	\$4,969.7	\$671.3	\$5,641	\$5,641.0	
03	Enterprise LAN	\$175.0	\$525.0	\$700.0	\$700.0	
03	Non-Appropriated Fund Civilian Pay System	\$424.0	-\$424.0	\$0.0	\$0.0	
03	Automated Time Attendance & Production System	\$2,120.0	\$564.4	\$2,684.4	\$2,684.4	
03	Defense Civilian Pay System	\$8,143.0	-\$699.9	\$7,443.1	\$7,443.1	
03	Defense Debt Management System	\$760.0	\$0.0	\$760.0	\$760.0	
03	Garnishment Support System	\$600.0	\$390.7	\$990.7	\$990.7	
03	Mechanization of Contract Administration Support	\$1,300.0	\$9,346.0	\$10,646.0	\$10,646.0	
03	Integrated Accounts Payable System	\$0.0	\$575	\$575	\$575	
03	One Bill Pay	\$0.0	\$120.0	\$120.0	\$120.0	
03	Office Automation	<u>\$500.0</u>	<u>\$200.0</u>	<u>\$700.0</u>	<u>\$700.0</u>	
	TOTAL	\$24,447.3	\$6,625.9	\$31,073.2	\$31,073.2	\$0.0

The Defense Procurement Payment System (DPPS) has been terminated and the FY 2003 funds are for termination fees. The change from the dual contract/vendor pay strategy has impacted other DFAS corporate infrastructure systems such as DCD and DSDS. Automated Time Attendance and Production System increases are tied to the development efforts for Air Force Korea Civilian Pay requirements which would standard overseas pay applications for the Air Force. Defense Civilian Pay System will maintain its current level of operations with only changes due legislative and mandatory initiatives to include integration for garnishment actions, overseas personnel pay conditions for teachers and TSP functionality for non-appropriated fund personnel. Enhancements for the Integrated Accounts Payable System will support the interfaces required by PowerTrack, Standard Base Level Supply System (SBSS) and Standard Procurement System (SPS), and EC/EDI transaction sets for Wide Area WorkFlow. DFAS Enterprise Portal and Defense Military Office front-end processing for DJMS changes comprise the office automation funding. EPortal enhancements, such as workflow management and collaboration applications, will provide greater communication and increased information access for DFAS and its customers. DMO changes support the legislative requirements for military pay operations to ensure timely and accurate data for the military pay systems. One Bill Pay – STARS, and DDMS requirements provide priority legislative and key mission changes which will sustain current operating environment. MOCAS funding has significantly increased to fill in for the cancelled DPPS program. Interfaces, communications software and other corporate infrastructure software is captured in the ELAN funding which is required to upgrade and replace out-dated operating and application software. The funding for security support upgrades and improvements to the DFAS Corporate Information Infrastructure where the latest technology in network scanning software, packet sniffers, buffer overflows and other intrusion detection and monitoring software will be installed to achieve optimum protection and surveillance of DFAS data and systems. This requirement will be phased on next few years to maintain the most current and secured environment. Garnishment System will directly link to the military and civilian pay systems for automated notification and processing of payment deductions. The GARN funding will also support the KIDS 1st program initiatives in support state enforcement agencies to directly submit wage withholding orders via internet to GARNs for validation and processing.

DEFENSE FINANCE AND ACCOUNTING SERVICE

ACTIVITY GROUP: DWCF

FY 2004

**FY 2004 FINANCIAL OPERATIONS BUDGET ESTIMATE
(\$000)**

Projects on the Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates

Equipment except ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	None					

Equipment - ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	Enterprise LAN	\$8,654.0	\$3,489.1	\$12,143.1	\$12,143.1	
04	PBX - Telephone System	\$723.0	\$0.0	\$723.0	\$723.0	
04	System Security	\$1,460.0	-\$200.0	\$1,260.0	\$1,260.0	
04	Electronic Document Management	\$565.0	\$565.0	\$1,130.0	\$1,130.0	
04	Defense Civilian Personnel Data System	\$150.0	-\$150.0	\$0.0	\$0.0	
04	Integrated Garnishment System	\$0.0	\$440.5	\$440.5	\$440.5	
04	Defense Civilian Pay System	\$125.0	-\$125.0	\$0.0	\$0.0	
	TOTAL	\$11,677.0	\$4,019.6	\$15,696.6	\$15,696.6	\$0.0

The increase was driven by a planned replacement strategy for the aging infrastructure and the need to maintain an appropriate protection of DFAS systems and data. DFAS Corporate Infrastructure phased upgrade to the backbone Gigabit processing capability and replacement of routers, backbone/communication servers are essential to maintain the operations and communication of DFAS. The mid-tier/Web system replacements will be also phased over the next several years to maintain current operating conditions. Security upgrades and replacement equipment for DFAS Corporate Infrastructure will focus on firewalls. The Electronic Document Management requires funding to support the replacement of scanning and storage equipment in support of contract payments. The Private Branch Exchange funding support the acquisition for a lease to own option which will end in FY 2005. In order to maintain and operate with the increasing garnishment workload, an imaging solution to automate the electronic and manual information into one source is required to improve customer requests for information and daily processing for pay withholds.

Minor Construction

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04		\$1,145.0	\$1,200.0	\$2,345.0	\$2,345.0	\$0.0

The increase for Minor Construction program will support force protection requirements, renovations to logistic facilities and other infrastructure replacements such as cooling towers and heating/air conditioning equipment.

Software Development and Modification (SW DEVMOD)

1. Defense Working Capital Fund Accounting Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
04	Business Management Redesign/e-Biz	\$2,700.0	-\$2,450.0	\$250.0	\$250.0	
04	Defense Industrial Financial Management System	\$5,326.0	-\$4,326.0	\$1,000.0	\$1,000.0	
04	Material Financial Control System	\$1,500.0	-\$500.0	\$1,000.0	\$1,000.0	
04	Standard Material Accounting System	\$1,400.0	-\$1,235.6	\$164.4	\$164.4	
04	Military Sealift Command Financial Mgmt System	\$0.0	\$931.6	\$931.6	\$931.6	
04	Defense Working Capital Accounting System	<u>\$7,962.7</u>	<u>-\$7,462.7</u>	<u>\$500.0</u>	<u>\$500.0</u>	
	TOTAL	\$18,888.7	-\$15,042.7	\$3,845.6	\$3,845.6	\$0.0

The reduction in capital funds is the result of completion of the development phases for the key DWCF accounting systems as the systems transition into a deployed and operational environment. The Defense Working Capital Accounting System (DWAS), Standard Material Accounting System (SMAS), Material Financial Control System (MFCS) and Defense Industrial Financial Management System (DIFMS) require changes resulting from regulatory mandates and priority operational needs. BMR/e-Biz will complete implementation of all phases by end of 2004. BMR/e-Biz should incorporate all necessary accounting and current infrastructure functionality to support DFAS and other customers. Military Sealift Command Financial Management System requirements should incorporate changes necessary for the core financial accountability requirements such as interfaces to DCAS and DCMS, automated conversion of foreign currency and automatic generation of interfund reporting.

2. General Accounting Fund Systems Migratory Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/Deficiency</u>
04	Defense Joint Accounting System	\$5,144.9	-\$5,144.9	\$0.0	\$0.0	
04	Defense Cash Accounting System	\$7,682.1	-\$2,576.1	\$5,106.0	\$5,106.0	
04	Defense Departmental Reporting System	\$0.0	\$1,652.0	\$1,652.0	\$1,652.0	
04	General Accounting & Finance System - Reengr	\$2,274.4	-\$626.9	\$1,647.5	\$1,647.5	
04	Standard Accounting & Reporting System	\$7,300.0	-\$4,925.0	\$2,375.0	\$2,375.0	
04	Standard Accounting Budgeting & Reporting System	\$0.0	\$300.0	\$300.0	\$300.0	
04	Program & Budget Accounting System-Fund Distribution	\$500.0	-\$500.0	\$0.0	\$0.0	
04	Defense Integrated Financial System-Reengr	\$650.0	-\$650.0	\$0.0	\$0.0	
04	Operational Data Store	<u>\$1,300.0</u>	<u>\$1,500.0</u>	<u>\$2,800.0</u>	<u>\$2,800.0</u>	
	TOTAL	\$24,851.4	-\$10,970.9	\$13,880.5	\$13,880.5	\$0.0

The General Accounting systems' changes are contributed to the refinement of deployment costs for the migratory efforts while addressing the full requirements of the mission and DFAS customers. Currently, Defense Joint Accounting System funding has been reduced to \$0 so that no modernization or development will take place. The Defense Cash Accountability System and Defense Departmental Reporting System will reach full operating capability in 2004. Site deployment initiated requirements require a reduced level of development efforts. General Accounting and Finance System – Reengineer funding will support regulatory changes and refinement of priority mission requirements. Standard Accounting and Reporting System changes are centered on core accounting and fund distribution functionality. Plans to re-engineer STARS will not be accomplished upon final configuration of the Financial Management Modernization effort. STARS changes will reflect legislative and regulatory requirements to their core accounting functionality. The Operational Data Store will continue to develop interfaces with Army legacy accounting and finance systems and develop improved processing of data and performance metrics for the Army. Defense Integrated Financial System – Reengineer and Program and Budget Accounting System – Fund Distribution did not identify priority changes for FY 2004.

3. Administrative Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	Electronic Document Management	\$435.0	-\$435.0	\$0.0	\$0.0	
04	Electronic Commerce/Data Interchange	\$78.0	\$614.0	\$692.0	\$692.0	
04	DFAS Corporate Database	\$6,423.0	\$3,761	\$10,184	\$10,184.0	
04	DFAS Corporate Warehouse	\$3,719.0	\$2,034	\$5,753	\$5,753.0	
04	Living Disaster Recovery System	<u>\$900.0</u>	<u>-\$900</u>	<u>\$0.0</u>	<u>\$0.0</u>	
	TOTAL	\$11,555.0	\$5,074.0	\$16,629.0	\$16,629.0	\$0.0

The changes for DFAS Corporate Database and DFAS Corporate Warehouse will support the continued vendor pay implementations as well as the continued requirements for deployments of DCAS, DDRS and other key migratory accounting systems. The changes support the interface development requirement for deployment of Defense Procurement Payment System and requirement to communicate with key DoD systems and DFAS infrastructure. The deployment to Cleveland Center will eliminate duplicate efforts and systems which should reduce costs and increase financial reporting accuracy for the Navy. Living Disaster Recovery System will support refinement of DFAS on-going contingency planning and recovery and incorporate new requirements centered around knowledge management and migratory system initiatives. Electronic Commerce supports the modification of new and revised standard ANSI X-12 EDI transactions and effort to expand end-to-end and one-source data entry solutions. Electronic Document Management will maintain its current operations and will use central design activity (CDA) maintenance funding until vendor pay implementations are complete.

4. Disbursing Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	Defense Standard Disbursing System	\$4,850.0	-\$1,350.0	\$3,500.0	\$3,500.0	
04	Deployable Disbursing System	<u>\$1,500.0</u>	<u>\$427.0</u>	<u>\$1,927.0</u>	<u>\$1,927.0</u>	
	TOTAL	\$6,350.0	-\$923.0	\$5,427.0	\$5,427.0	\$0.0

The increase for Defense Standard Disbursing System supports the strategy for the vendor pay end-to-end processing environment and changes for the DFAS corporate infrastructure. DSDDS will deploy to the Cleveland Center in FY 2003 and replace their current disbursing systems. The Deployable Disbursing System incorporate new interfaces for accountability and changes identified during fielding of the system. DDS will start deployment in late 2002 with anticipated full operating capability by end of 2003.

5. Military Pay Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	Defense Integrated Military Human Resource	\$15,118.0	-\$8,490.0	\$6,628.0	\$6,628.0	
04	Employee/Member Self Service System	\$945.0	\$655.0	\$1,600.0	\$1,600.0	
04	Defense Joint Military Pay System - Active/Reserve	\$0.0	\$6,562.5	\$6,562.5	\$6,562.5	
04	Marine Corp Total Force System	\$4,270.0	\$7,087.3	\$11,357.3	\$11,357.3	
04	Defense Retiree & Annuitant Pay System	<u>\$2,344.0</u>	<u>-\$544.0</u>	<u>\$1,800.0</u>	<u>\$1,800.0</u>	
	TOTAL	\$22,677.0	\$5,270.8	\$27,947.8	\$27,947.8	\$0.0

Due to slippage of DIMHRS- Pay Module, Defense Joint Military Pay System has continued development of legislative and regulatory requirements such as calculations to Basic Allowance of Housing and Service Debts due to Serviceperson's Group Life Insurance. The funding reflects the priority requirements of the Military Services. Requirements with manual workarounds have been evaluated and provide high return on investments. Defense Integrated Military Human Resource System decrease is due to changes in schedule and functionality changes in order to coincide with the deployment plans of the DIMHRS military personnel module. Marine Corps Total Force System increases are contributed to

modularization and expansion of the various military pay table upgrades and updates to functionality associated with pay ready computation on demand. MCTFS priority requirements, such as mid-month LES statements, will be accomplished which will provide the military personnel with their mid-month pay information and assist the Military Services in identification of timely expenditure data. Employee/Member Self Service System (EMSS) will incorporate improvements to the current electronic processes for access customization and security and notification of W2 and other key electronic employee information. EMSS will provide for more interactive question/answer capability which should reduce the manual support requirements.

6. Other Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
04	Office Automation	\$3,000.0	-\$2400	\$600.0	\$600.0	
04	Defense Procurement Payment System	\$2,172.0	-\$2,172	\$ 0.0	\$0.0	
04	System Inventory Database	\$113.0	\$0	\$113.0	\$113.0	
04	System Security	\$3,388.0	-\$2,788	\$600.0	\$600.0	
04	Enterprise LAN	\$1,887.6	-\$1,287.6	\$600.0	\$600.0	
04	Integrated Garnishment System	\$0.0	\$400.0	\$400.0	\$400.0	
04	Non-Appropriate Fund Civilian Pay System	\$424.0	-\$424.0	\$0.0	\$0.0	
04	Automated Time Attendance & Production System	\$800.0	\$664.9	\$1,464.9	\$1,464.9	
04	Defense Civilian Pay System	\$8,157.0	\$812.1	\$8,969.1	\$8,969.1	
04	Defense Debt Mgmt System	\$685.0	\$0.0	\$685.0	\$685.0	
04	Garnishment Support System	\$600.0	-\$100.0	\$500.0	\$500.0	
04	Integrated Accounting Payable System	\$0.0	\$200.0	\$200.0	\$200.0	
04	Vendor Pay Inquiry System	\$200.0	-\$200.0	\$0.0	\$0.0	
04	Mechanization of Contract Administration Support	\$0.0	\$5,000.0	\$5,000.0	\$5,000.0	
04	Computerized Accounting Pay System	<u>\$1,000.0</u>	<u>-\$1,000.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	
	TOTAL	\$22,426.6	-\$3,294.6	\$19,132.0	\$19,132.0	\$0.0

The additional funds are needed to upgrade MOCAS, since Defense Procurement Payment System (DPPS) has been terminated. Automated Time Attendance and Production System fund increases support changes in legislative requirements and interfaces to DCPS related to data structure and transmission. Defense Civilian Pay System will maintain its current level of operations with only changes due to legislative and mandatory initiatives to include special pay computation for emergency medical technicians, foreign allowance authority reconciliation and increase electronic capability for TSP information. Enhancements for the Integrated Accounts Payable System will support the EC/EDI refinements of contract and contract modification data with Standard Procurement System (SPS). DFAS Enterprise Portal enhancements, PowerTrack, and Defense Military Office front-end processing for DJMS changes comprise the office automation funding. EPortal enhancements, such as wider range of communication and collaboration tools, will be acquired in a phase approach to increased information access. DMO changes support the legislative requirements for military pay operations to ensure timely and accurate data for the military pay systems. Edit functionality and interfaces between DFAS systems, DISA exchanges and shipper systems are the key development actions for PowerTrack. Interfaces, communications software and other corporate infrastructure software is provided by ELAN funding which is required to upgrade and replace out-dated operating and application software. The ELAN requirements will be refreshed and replaced on a phased approach. The funding for security support upgrades and improvements to the DFAS Corporate Information Infrastructure where the latest technology in network scanning software, packet sniffers, buffer overflows and other intrusion detection and monitoring software will be installed to achieve optimum protection and surveillance of DFAS data and systems. Security requirement are also phased to take advantage of latest technology and only replacement out-dated software while maintaining a secure environment. Garnishment System will automate the payroll file locator to eliminate costly manual alternatives. The GARN funding will also support the KIDS 1st program initiatives by increasing state enforcement agencies connectivity to directly submit wage withholding orders via internet to GARNs for validation and processing.

DEFENSE FINANCE AND ACCOUNTING SERVICE

ACTIVITY GROUP: DWCF

FY 2005

**FY 2004 FINANCIAL OPERATIONS BUDGET ESTIMATE
(\$000)**

Projects on the Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates

Equipment except ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	None					

Equipment - ADPE and TELECOM

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Enterprise LAN	\$9,584.0	\$1,976.0	\$11,560.0	\$11,560.0	
05	System Security	\$2,000.0	\$2,000.0	\$4,000.0	\$4,000.0	
05	PBX - Telephone System	\$723.0	\$0.0	\$723.0	\$723.0	
05	Defense Civilian Personnel Data System	\$150.0	-\$150.0	\$0.0	\$0.0	
05	Electronic Document Management	\$565.0	\$565	\$1,130.0	\$1,130.0	
05	Defense Civilian Pay System	\$125.0	-\$125.0	\$0.0	\$0.0	
	TOTAL	\$13,147.0	\$4,266.0	\$17,413.0	\$17,413.0	\$0.0

The increase was driven by a planned replacement strategy for the aging infrastructure and the need to maintain an appropriate protection of DFAS systems and data. DFAS Corporate Infrastructure phased upgrade to the backbone Gigabit processing capability and replacement of routers, backbone/communication servers are essential to maintain the operations and communication of DFAS. Security upgrades and replacement equipment for DFAS Corporate Infrastructure will focus on firewalls. The Electronic Document Management requires funding to support the replacement of scanning and storage equipment in support of contract payments and vendor payment operations. The vendor pay system deployments will be completed and fully operational. The Private Branch Exchange funding support the acquisition for a lease to own option which will end this fiscal year.

Minor Construction

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Minor Construction	\$927.0	\$1,000.0	\$1,927.0	\$1,927.0	\$0.0

The increase for Minor Construction program will support Orlando force protection perimeter upgrades, renovations to Columbus facilities and other infrastructure replacements such as heating/air conditioning equipment and plumbing upgrades.

Software Development and Modification (SW DEVMOD)

1. Defense Working Capital Fund Accounting Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Business Management Redesign/e-Biz	\$2,700.0	-\$2,450.0	\$250.0	\$250.0	
05	Defense Industrial Financial Mgmt System	\$4,550.0	-\$3,550.0	\$1,000.0	\$1,000.0	
05	Defense Working Capital Accounting System	\$3,821.0	-\$2,845.4	\$975.6	\$975.6	
05	Material Financial Control System	\$1,500.0	\$0.0	\$1,500.0	\$1,500.0	
05	Standard Material Accounting System	<u>\$1,400.0</u>	<u>-\$1,195</u>	<u>\$205.0</u>	<u>\$205.0</u>	
	TOTAL	\$13,971.0	-\$10,040.4	\$3,930.6	\$3,930.6	\$0.0

The reduction in capital funds is the result of completion of the development phases for the key DWCF accounting systems as the systems transition into a deployed and operational environment. The DWCF migratory accounting systems are fully operational. BMR/e-Biz, Standard Material Accounting System (SMAS), Material Financial Control System (MFCS) and Defense Industrial Financial Management System (DIFMS) will require changes resulting from regulatory core accounting refinements or priority mission needs. Changes related to the DFAS Corporate Information Infrastructure (DCII) and other software development would be assessed to ensure that its meets the Financial Management Modernization criteria.

2. General Accounting Fund Systems Migratory Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Defense Joint Accounting System	\$4,852.0	-\$4,852.0	\$0	\$0	
05	Defense Cash Accounting System	\$1,688.0	\$518.0	\$2,206.0	\$2,206.0	
05	Defense Departmental Reporting System	\$0.0	\$800.0	\$800.0	\$800.0	
05	General Accounting & Finance System - Reengr	\$2,264.5	-\$839.8	\$1,424.7	\$1,424.7	
05	Standard Accounting & Reporting System	\$7,525.0	-\$4,525.0	\$3,000.0	\$3,000.0	
	Standard Accounting Budgeting & Reporting System	\$0.0	\$300.0	\$300.0	\$300.0	
05	Program & Budget Accounting System-Fund Distribution	\$500.0	\$0.0	\$500.0	\$500.0	
05	Defense Integrated Financial System-Reengr	\$700.0	-\$700.0	\$0.0	\$0.0	
05	Operational Data Store	<u>\$1,300.0</u>	<u>\$0.0</u>	<u>\$1,300.0</u>	<u>\$1,300.0</u>	
	TOTAL	\$18,829.5	-\$9,298.8	\$9,530.7	\$9,530.7	\$0.0

The General Accounting systems' changes are contributed to the refinement of deployment costs for the migratory efforts while addressing the full requirements of the mission and DFAS customers. Currently, Defense Joint Accounting System will maintain its current level of deployment upon further finalization of decisions on a general fund replacement strategy. The Defense Cash Accountability System and Defense Departmental Reporting System will be fully operational and other regulatory and criteria mission needs are planned for FY 2005. General Accounting and Finance System – Reengineer will also have reached FOC. Standard Accounting and Reporting System changes are centered on core accounting and expansion of customer operating base. The Operational Data Store will continue to develop interfaces with Army legacy accounting and finance systems and develop improved processing of data and maintain performance metrics for the Army. Defense Integrated Financial System – Reengineer did not identify priority changes for FY 2005. Program and Budget Accounting System – Fund Distribution anticipate changes due to fund code standardization and expanded requirements to support DoD. Changes related to the DFAS Corporate Information Infrastructure (DCII) and other software development would be assessed to ensure that it meets the Financial Management Modernization criteria.

3. Administrative Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Electronic Document Management	\$435.0	-\$435.0	\$0.0	\$0.0	
05	Electronic Commerce/Data Interchange	\$78.0	\$555.0	\$633.0	\$633.0	
05	DFAS Corporate Database	\$6,562.0	\$5,787.0	\$12,349.0	\$12,349.0	
05	DFAS Corporate Warehouse	\$3,094.0	\$2,474.0	\$5,568.0	\$5,568.0	
05	Living Disaster Recovery Sys	<u>\$1,100.0</u>	<u>-\$1,100.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	
	TOTAL	\$11,269.0	\$7,281.0	\$18,550.0	\$18,550.0	\$0.0

The changes for DFAS Corporate Database and DFAS Corporate Warehouse will support continued system deployment strategies of other initiatives such as DIMHRS-DPM and other key migratory accounting systems to the DCII environment. Living Disaster Recovery System will support on-going alteration of DFAS on-going contingency planning and recovery and incorporate new requirements to support system and operational emergencies. Electronic Commerce supports the upgrades and modification of new and revised standard ANSI X-12 EDI transactions which interfaces with DISA translation exchanges and the DCII. Electronic Document Management will maintain its current operations and will use central design activity (CDA) maintenance funding. EDM improvements will be assessed in conjunction with overall DFAS needs and the FMMP criteria.

4. Disbursing Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Defense Standard Disbursing System	\$3,750.0	-\$2,750.0	\$1,000.0	\$1,000.0	
05	Deployable Disbursing System	<u>\$1,927.0</u>	<u>\$0.0</u>	<u>\$1,927.0</u>	<u>\$1,927.0</u>	
	TOTAL	\$5,677.0	-\$2,750.0	\$2,927.0	\$2,927.0	\$0.0

Defense Standard Disbursing System is fully operational for the vendor pay environment and it will be expanded to other Client Executive areas and DCII. The Deployable Disbursing System should be fully deployed to the Army and will to concentrate on other Service requirements for a deployable disbursing system.

5. Military Pay Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Defense Integrated Military Human Resource	\$5,436.0	\$346.0	\$5,782.0	\$5,782.0	
05	Employee/Member Self Service System	\$725.0	\$0.0	\$725.0	\$725.0	
05	Marine Corps Total Force System	\$4,270.0	-\$4,270.0	\$0.0	\$0.0	
05	Defense Retiree & Annuitant Pay	<u>\$2,344.0</u>	<u>-\$486</u>	<u>\$1,858</u>	<u>\$1,858</u>	
	TOTAL	\$12,775.0	-\$4,410	\$8,365	\$8,365	\$0.0

Defense Joint Military Pay Systems and Marine Corps Total Force System will not require capital funding due to the planned deployment of Defense Integrated Military Human Resource System in late 2005. Defense Integrated Military Human Resource System – Pay Module in conjunction with the other DIMHRS modules will start replacement of the current Service Personnel/Pay systems. The funding supports deployment identified changes and legislative changes which will levied on DIMHRS – PM during deployment. Employee/Member Self Service System (EMSS) will incorporate improvements to expansion the electronic processes to current manual/hard copy inquiry or mailing initiatives. With the use of the Internet, EMSS will develop and implement improved notification and update capabilities for the employee/member.

6. Other Systems Migration Strategy

<u>FY</u>	<u>Initiative</u>	<u>Approved Project</u>	<u>Reprogs</u>	<u>Approved Proj Cost</u>	<u>Current Proj Cost</u>	<u>Asset/ Deficiency</u>
05	Office Automation	\$3,000.0	-\$2,300	\$700.0	\$700.0	
05	Defense Procurement Payment System	\$178.0	-\$178	\$0.0	\$0.0	
05	System Inventory Database	\$113.0	\$0.0	\$113.0	\$113.0	
05	System Security	\$3,430.0	-\$2,730	\$700	\$700	
05	Enterprise LAN	\$1,901.5	-\$1,201.5	\$700	\$700	
05	Integrated Garnishment System	\$0.0	\$200.0	\$200.0	\$200.0	
05	Non-Appropriated Fund Civilian Pay System	\$424.0	-\$424.0	\$0.0	\$0.0	
05	Automated Time Attendance & Production System	\$800.0	\$786.3	\$1,586.3	\$1,586.3	
05	Defense Civilian Pay System	\$8,204.0	\$1,188.7	\$9,392.7	\$9,392.7	
05	Defense Debt Mgmt System	\$720.0	\$0.0	\$720.0	\$720.0	
05	Garnishment Support System	\$600.0	-\$150.0	\$450.0	\$450.0	
05	Vendor Pay Inquiry System	<u>\$200.0</u>	<u>-\$200.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	
	TOTAL	\$19,570.5	-\$5,008.5	\$14,562	\$14,562	\$0.0

Defense Procurement Payment System (DPPS) has been cancelled and will receive no funding. The funding will support DPPS regulatory and critical changes. Automated Time Attendance and Production System increases are tied to the regulatory and legislative changes required by Defense Civilian Pay System. Defense Civilian Pay System will maintain its current level of operations with only changes due to legislative and mandatory initiatives to include expansion of electronic processing and eliminating. DFAS Enterprise Portal enhancements, PowerTrack and Defense Military Office front-end processing for DJMS/DIMHRS changes comprise the office automation funding. EPortal enhancements, such as wider range of communication and collaboration tools, will be acquired in a phase approach to increased information access. DMO changes support the legislative requirements for military pay operations for both DJMS and DIMHRS until deactivation of DJMS. PowerTrack will require changes to its edit database and changes to interfaces as legacy systems are deactivation. Interfaces, communications software and other corporate infrastructure software is provided by ELAN funding which is required to upgrade and replace out-dated operating and application software. The ELAN requirements will be refreshed and replaced on a planned phased approach. The funding for security support upgrades and improvements to the DFAS Corporate Information Infrastructure where the latest technology in network scanning software, packet sniffers, buffer overflows and other intrusion detection and monitoring software will be installed to achieve optimum protection and surveillance of DFAS data and systems. Security requirement are also phased to take advantage of latest technology and only replacement out-dated software while maintaining a secure environment. Garnishment System will automate the interfaces with migratory pay wage withholdings and accounting systems. The GARN funding will also support the KIDS 1st program initiatives by increasing state enforcement agencies connectivity to directly submit wage withholding orders via internet to GARNs for validation and processing.